IN THE HIGH COURT OF JUDICATURE AT BOMBAY
APPELLATE SIDE

WRIT PETITION NO.1149 OF 2005

WITH

CIVIL APPLICATION NO. 802, 803 & 804 OF 2005

Stressed Assets Stabilization Fund. ...Petitioner.
Versus
The Ulhasnagar Municipal Corporation & ors. ...Respondents.

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Mr. Shyam Diwan i/b. Dhruve Liladhar & Co. for the Petitioner.
Mr. C. Balsara i/b. Manekshaw Sethna for Respondent No.2.
Mr.T. Andhyarujina i/b. Rustomji Ginwalla for the Applicant.

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CORAM : A. P. SHAH AND
DR. D.Y. CHANDRACHUD, JJ.

June 9, 2005.

P.C.:

Leave to amend. Amendment to be carried out within two weeks.

The Petitioner has filed this petition challenging the auction sale of the assets of Respondent No.2-Company by the Municipal Corporation of Ulhasnagar towards their dues of the property taxes. We are informed that the Respondent No.2-

Company is before BIFR and a reference under the Sick Industrial Companies (Special Provisions) Act, 1985, has been registered as Case No.178 of 2004. In view of the bar created under Section 22, the Municipal Corporation cannot sell the property of Respondent No.2 for the recovery of property taxes. Counsel appearing for the Municipal Corporation stated that the Corporation will take appropriate steps to obtain permission from BIFR for the recovery of the taxes and unless and until the permissions is granted, the Corporation will not effect the sale of the property of Respondent No.2. Mr.Sawant also assures the Court that a prior notice of at least four weeks will be given to the Petitioner before effecting the sale.

In the circumstances, no interference is called for at this stage. Petition is disposed of with liberty to the Petitioner to adopt appropriate proceeding in case the Corporation puts the property for sale.

Tahsildar of Ulhasnagar is directed to remove the seal

put by him on the administrative building.

Civil Application Nos.802 to 804 of 2005 filed by third parties are also hereby disposed of with liberty to the applicants to adopt appropriate proceedings for necessary reliefs.

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